

Senate File 230 - Introduced

SENATE FILE 230
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1021)

A BILL FOR

1 An Act relating to manufacturers of native distilled spirits
2 and beer.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.43A, subsection 6, Code 2019, is
2 amended to read as follows:

3 6. Notwithstanding any provision of [this chapter](#) to the
4 contrary or the fact that a person is the holder of a class
5 "A" native distilled spirits license, a native distillery
6 which, combining all production facilities of the business,
7 produces and manufactures not more than one hundred thousand
8 proof gallons of native distilled spirits on an annual basis
9 may sell those native distilled spirits manufactured on the
10 premises of the native distillery for consumption on the
11 premises by applying for a class "C" native distilled spirits
12 liquor control license as provided in [section 123.30](#). A native
13 distillery may be granted not more than one class "C" native
14 distilled spirits liquor control license. All native distilled
15 spirits sold by a native distillery for on-premises consumption
16 shall be purchased from a class "E" liquor control licensee. A
17 manufacturer of native distilled spirits may be issued a class
18 "C" native distilled spirits liquor control license regardless
19 of whether the manufacturer is also a manufacturer of beer
20 pursuant to a class "A" beer permit or a manufacturer of native
21 wine pursuant to a class "A" wine permit. ~~A native distillery~~
22 ~~engaged in the business of manufacturing beer shall not be~~
23 ~~issued a class "C" native distilled spirits liquor control~~
24 ~~license.~~

25 Sec. 2. Section 123.45, subsection 2, Code 2019, is amended
26 to read as follows:

27 2. However, a person engaged in the wholesaling of beer or
28 wine may sell only disposable glassware, which is constructed
29 of paper, paper laminated, or plastic materials and designed
30 primarily for personal consumption on a one-time usage
31 basis, to retailers for use within the premises of licensed
32 establishments, for an amount which is greater than or equal
33 to an amount which represents the greater of either the amount
34 paid for the disposable glassware by the supplier or the amount
35 paid for the disposable glassware by the wholesaler. Also, a

1 person engaged in the business of manufacturing beer may sell
 2 beer at retail for consumption on or off the premises of the
 3 manufacturing facility and, notwithstanding any other provision
 4 of [this chapter](#) or the fact that a person is the holder of a
 5 class "A" beer permit, may be granted not more than one class
 6 "B" beer permit as defined in [section 123.124](#) for that purpose
 7 regardless of whether that person is also a manufacturer
 8 of native distilled spirits pursuant to a class "A" native
 9 distilled spirits license.

10 Sec. 3. Section 123.141, Code 2019, is amended to read as
 11 follows:

12 **123.141 Keeping liquor where beer is sold.**

13 No alcoholic liquor for beverage purposes shall be used,
 14 or kept for any purpose in the place of business of class "B"
 15 beer permittees, or on the premises of such class "B" beer
 16 permittees, at any time. A violation of any provision of
 17 this section shall be grounds for suspension or revocation
 18 of the beer permit pursuant to section 123.50, subsection
 19 3. [This section](#) shall not apply in any manner or in any way
 20 to the premises of any hotel or motel for which a class "B"
 21 beer permit has been issued, other than that part of such
 22 premises regularly used by the hotel or motel for the principal
 23 purpose of selling beer or food to the general public, to a
 24 premises for which both a class "B" beer permit and a class
 25 "A" native distilled spirits license have been issued, or to
 26 keep a pharmacy from having alcohol in stock for medicinal and
 27 compounding purposes.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
 30 the explanation's substance by the members of the general assembly.

31 This bill relates to the authority of manufacturers of beer
 32 and manufacturers of native distilled spirits.

33 Code section 123.43A, concerning native distilleries, is
 34 amended to authorize a manufacturer of native distilled spirits
 35 to be issued a class "C" native distilled spirits liquor

1 control license regardless of whether the manufacturer is also
2 a manufacturer of beer.

3 Code section 123.45, concerning limitations on business
4 interests, is amended to provide that a manufacturer of beer
5 may be granted one class "B" beer permit for the purpose
6 of selling beer at retail for consumption on or off the
7 premises of the manufacturing facility regardless of whether
8 the manufacturer is also a manufacturer of native distilled
9 spirits.

10 Code section 123.141, concerning keeping liquor where beer
11 is sold, is amended to allow alcoholic liquor for beverage
12 purposes to be used or kept at a premises for which both a class
13 "B" beer permit and class "A" native distilled spirits license
14 have been issued.